

G. DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



DAN F. ARNETT
CHIEF OF STAFF

Phone: (803) 737-0800
Fax: (803) 737-0801

jnelson@regstaff.sc.gov

Jeffrey M. Nelson
Counsel for ORS

February 19, 2009

VIA E-FILING

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Petition of Duke Energy Carolinas, LLC for an Accounting Order to Defer Certain Environmental Compliance Costs and the Incremental Costs Incurred from the Purchase of a Portion of Saluda River's Ownership in the Catawba Nuclear Station
Docket No. 2009-55-E

Dear Mr. Terreni:

The South Carolina Office of Regulatory Staff ("ORS") reviewed the above Petition of Duke Energy Carolinas, LLC ("Duke") requesting permission for an accounting order to defer certain environmental compliance costs that are being or will be incurred by Duke in connection with the addition of the Allen Steam Station flue gas desulfurization equipment ("FGD" or "scrubber") and for the incremental costs incurred from Duke's purchase of a portion of Saluda River Electric Co-operative, Inc.'s ownership in the Catawba Nuclear Station. Based on its review and discussions with Duke, ORS has no objection to the requested deferral. If Duke's Petitions are granted, ORS will monitor the deferral amounts.

Sincerely,


Jeffrey M. Nelson

cc: Catherine E. Heigel, Esquire
Lara S. Nichols, Esquire
John Flitter
JayJashinsky